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The Negro in Business  
in Philadelphia.



An Investigation  
by the Armstrong Association  
of Philadelphia.

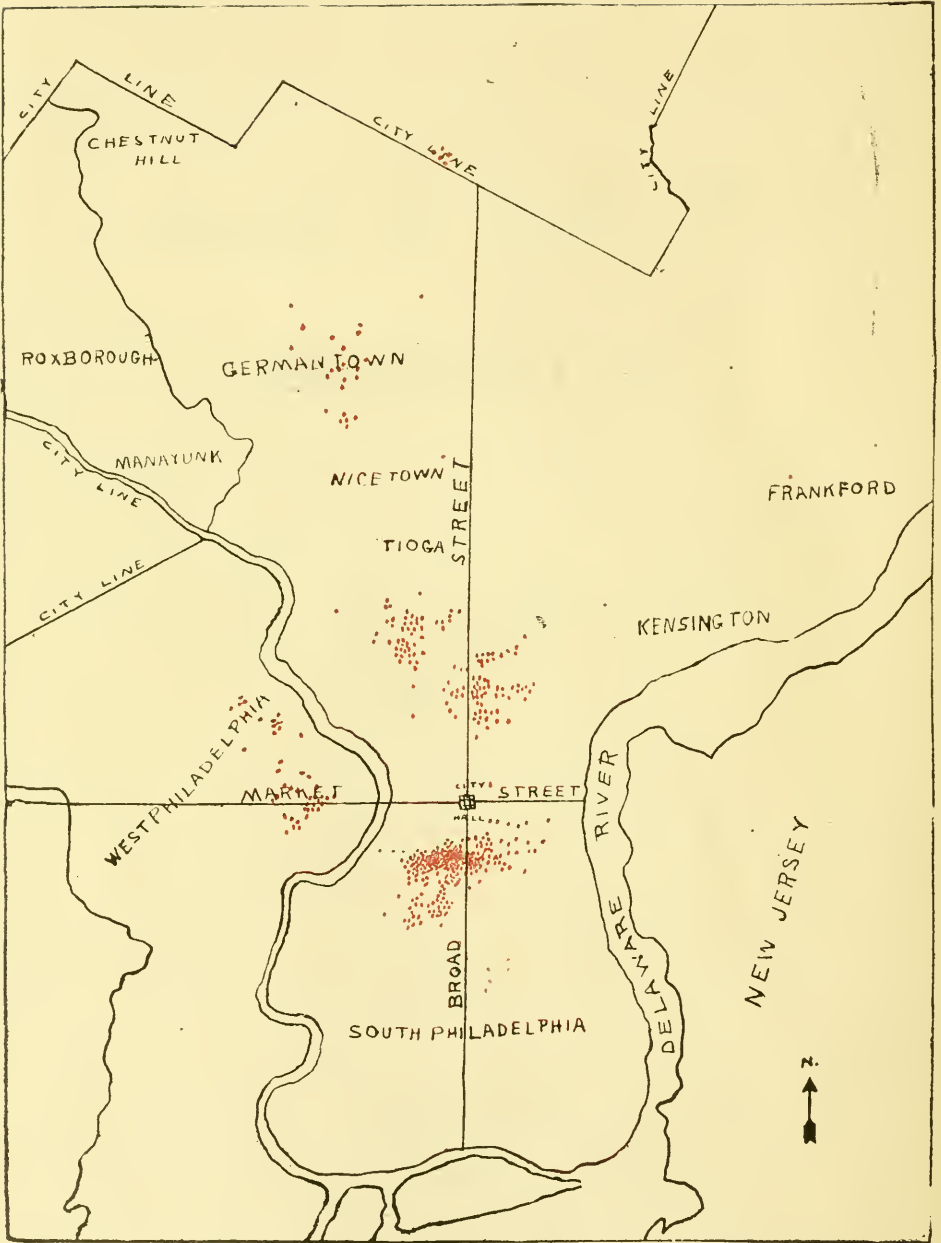


The Negro in Business  
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18-15295

An Investigation  
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" "  
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BUSINESSES CONDUCTED BY COLORED PEOPLE IN PHILADELPHIA.

NOTE.—Each dot represents the location of a place of business.

## THE NEGRO IN BUSINESS IN PHILADELPHIA.

In the early part of 1916 an investigation was made by the Armstrong Association of Philadelphia of the number and character of businesses conducted by Negroes in the City of Philadelphia. A man or woman who owned or rented a room, or rooms for the purpose of selling merchandise, or giving service or getting orders for financial compensation was considered to be conducting a business. Such workers as dress-makers or milliners, who went from house to house, or mechanics who hired themselves out to contractors, or who did jobbing but had no business offices, were not listed.

As large a list of businesses in the city as could be obtained was used as a basis for visiting, and when each place was visited the proprietor was asked for information about any other places of business that he knew about which were conducted by colored people. While some places were probably omitted, it is believed that almost all were included in the investigation. Courteous and cordial responses in answer to the more important inquiries of the investigation were met with in nearly all cases, although in answer to some of the questions such as those relating to the valuation of the plant, merchandise, rentals, credit, etc., the answers were often not so readily forthcoming, and in a number of cases were refused. It was possible, sometimes, by skillful questioning and observation to determine the answers even when they were not given by the party questioned. Wherever the question elicited an answer that seemed incorrect or of doubtful veracity it was not counted.

A total of 450 business establishments was found. These were subdivided, as shown in Table A.

Out of the total of 450, 364 stated that they conducted their business as individuals, and 50 were in partnerships.

It will be noted from Table A that the businesses in which the largest numbers are engaged are (a) occupations growing out of domestic service, and (b) barber shops. There are, however, quite a number of tailors, grocers and coal, wood and ice dealers. The accompanying map shows graphically the distribution of the places of business in different parts of the city.

TABLE A.  
CLASSIFICATION OF BUSINESSES ACCORDING TO NUMBER  
AND KIND.

Antiques .....	1
Banks .....	2
Barbers .....	66
Bicycle and Rubber Goods.....	3
Blacksmith .....	1
Building and Loan and Beneficial Associations	3
Cafes and Restaurants.....	63 ✓
Carpenters and Builders.....	8
Caterers .....	23
Chaircaner .....	1
Chiropodist .....	1
Cigars, Tobacco and Billiards.....	12
Cigarmaker .....	1
Coal, Wood, Ice .....	17
Confectionery and Cigars.....	3
Decorators and Paperhangers.....	4
Drug Stores .....	2
Dyeing and Cleaning.....	1
Electrician .....	1
Employment .....	14
Express and Storage.....	21
Florists .....	3
Fruit and Produce.....	12
Grocers .....	20
Hair Culturists, Massage .....	25 ✓
Hat Renovating Co. ....	1
Heaters and Ranges.....	3
Hotels .....	9
Ice Cream and Bakery.....	7
Jobbing .....	4
Junk Dealers .....	4
Landscape Gardener .....	1
Laundries .....	4
Mercantile Agency .....	1
Music School .....	1
Newspaper .....	1
Newspapers, Candies, Magazines.....	1
Pianos and Organs.....	1
Picture Store .....	1
Plasterers, Cementers and Bricklayers.....	8
Pool Rooms .....	2
Printing .....	9
Publishing House .....	1
Real Estate .....	4
Roots, Herbs, Charcoal, etc.....	1
Second-hand Dealers .....	8
Shoemakers .....	11
Shoe Parlors and Bootblacks.....	17
Shooting Gallery .....	1
Sign Painter .....	1
Stationery .....	2
Studios .....	2
Tailors .....	20
Undertakers .....	7
Upholstery .....	9

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There are four, more or less, closely grouped centres of business, corresponding roughly to the chief residence sections. The largest section extends from Lombard street (500 south of Market st.) southward, and there are many places of business both east and west, but especially west of Broad st. The colored residence section has recently been extending from Broad and Lombard streets to the southwest, and the businesses have to some extent followed. The three other business sections are in West Philadelphia, Germantown, and in the section extending from 500 to 2300 north of Market, both east and west of Broad street.

Of the 423 who gave their place of birth (see Table B) only 62 were born in Philadelphia and 53 others in Pennsylvania. The majority are from the group of States directly south of Pennsylvania, comprising Virginia, Maryland, South Carolina, North Carolina and Delaware.

TABLE B.  
STATE OF BIRTH.

Alabama .....	1
British Guiana .....	2
Colorado .....	1
Connecticut .....	1
Delaware .....	18
District of Columbia.....	5
Florida .....	4
Georgia .....	9
Illinois .....	5
Iowa .....	2
Jamaica .....	2
Kentucky .....	1
Louisiana .....	2
Maryland .....	56
Massachusetts .....	4
Michigan .....	1
Missouri .....	3
New Jersey .....	20
New York .....	5
North Carolina .....	32
Ohio .....	6
Oklahoma .....	2
Pennsylvania (Outside of Philadelphia) .....	53
Philadelphia .....	62
Rhode Island .....	2
San Domingo .....	1
South Carolina .....	20
Tennessee .....	5
Virginia .....	88
West Indies .....	3
West Virginia .....	7
Unknown .....	27

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Table C shows the length of residence in Philadelphia. It is not until the group has been here for from ten to twenty years that any appreciable number is recorded as being in business. This indicates that a stay of some length in the city is necessary in order that the migrants may so learn to adjust themselves that they can carry on a successful business enterprise. The most successful business enterprises are, as a rule, conducted by those who have been in the city for some time. One hundred and seventy-eight were reticent about stating when their business was started, but it is probable that if all of these were counted, it would very much swell the number of businesses conducted for only a short time. Sixty-two of the business men say that they were born in Philadelphia.

TABLE C.  
LENGTH OF RESIDENCE IN PHILADELPHIA.

Less than 2 years	2-3 years	4-5 years	6-9 years	10-19 years	20-29 years	30 years and over, but not born in Philadelphia	Doubtful	Total
2	9	15	43	134	50	20	177	450

Table D shows the length of time in which a business has been conducted at the present address. Sixty-six per cent. of the businesses have not been in the present location for more than ten years.

TABLE D.  
LENGTH OF TIME WHICH BUSINESS HAS BEEN CONDUCTED AT PRESENT ADDRESS.

Less than 2 years	2-3 years	4-5 years	6-9 years	10-19 years	20-29 years	30 and over	Doubtful	Total
111	105	93	63	53	6	5	14	450

The question with regard to previous occupations and reasons for entering business gave such varied answers that they could not be tabulated. A large proportion of those answering the inquiries with regard to their previous occupation who conducted cafes and restaurants stated that they had been chefs, cooks or domestics. One desired to have a business of his own; another "bought out his proprietor." Caterers, confectioners and hotel men showed the same previous occupations and the same reasons for entering their present occupations. Among the employment agents, upholsters and in many kinds of business the desire for independence and to work for one's self was frequently mentioned as a motive for

starting in business. A number of grocers, and coal, wood and ice dealers spoke of their experience as employees in similar businesses. Many of the hair culturists and those who give massage treatment had previously been domestics. Those conducting barber shops had in many cases formerly served apprenticeships in other shops. Plasterers and bricklayers and carpenters had also served apprenticeships, mostly in the South.

TABLE E.  
NUMBER OF EMPLOYEES IN BUSINESSES.

Restaurants	Barber Shops	Caterers	Carpenters and Builders	Hotels	Coal, Wood and Ice Dealers	Printing Shops
163	102	59	57	54	30	25
Stationery Establishments	Grocery Stores	Building and Loan Associations	Cigar-makers	Employment Offices	Undertakers	Miscellaneous
25	25	25	25	22	18	96

That the establishments are, as might be supposed, of small size is shown by Table F indicating the amount of floor space in business establishments.

SQ FT OF FLOOR SPACE IN BUSINESS ESTABLISHMENTS.

Less than 150 sq. ft.	150-499 sq. ft.	500-999 sq. ft.	1000-1999 sq. ft.	2000-2999 sq. ft.	3000-4999 sq. ft.	5000 or over	Unknown
38	117	55	98	35	32	13	62

Answers with regard to plant and merchandise were difficult to verify and in many cases could not be gotten. This was especially true of answers with regard to the value of merchandise. Such answers as could be obtained and were believed to be accurate were as follows:

TABLE G.  
ESTIMATED VALUATION OF THE TOOLS, FIXTURES, ETC.

\$50	\$50-\$199	\$200-\$399	\$400-\$499	\$500-\$799	\$800-\$999	\$1000-\$1999	\$2000 and over	Doubtful and Unknown	Total
4	78	112	54	55	8	17	73	49	450

TABLE H.  
ESTIMATED VALUATION OF MERCHANDISE.

Less than \$50	\$50-\$99	\$100-\$199	\$200-\$399	\$400-\$599	\$600-\$799	\$800-\$999	\$1000-\$1999	\$2000 and over	Doubtful and Unknown	Total
3	11	37	22	28	19	9	10	4	307	450

TABLE J.  
NUMBER OF OWNERS AND RENTERS, INCLUDING THE VARYING AMOUNT OF RENTALS PAID.

Less than \$12	\$12-\$14	\$15-\$19	\$19-\$24	\$25-\$29	\$30-\$34	\$35-\$39	\$40-\$45	\$50 and over	Doubtful	Owners	Total
22	23	39	113	69	30	10	2	2	59	81	450

Gross receipts as given are recorded in Table K.

TABLE K  
GROSS ANNUAL RECEIPTS FROM BUSINESS.

Less than \$1000	\$1000-\$1999	\$2000-\$2999	\$3000-\$3999	\$4000-\$4999	\$5000-\$9999	\$10000-\$14999	\$15000 and above	Doubtful and Unknown	Total
44	194	78	33	20	33	4	8	36	450

The systems of bookkeeping used are shown in Table L.

TABLE L.  
THE SYSTEMS OF BOOKKEEPING USED.

Ledger		Journal		Cash Book		Pay Book		No Book
Yes	No	Yes	No	Yes	No	Yes	No	
93	217	26	77	272	159	101	256	66

The statement of the systems of bookkeeping used were difficult to obtain and are incomplete.

One hundred and seventy-one gave no information as to the frequency with which they balanced their accounts. Two said they balanced them daily, 124 weekly, 2 bi-monthly and 138 monthly, 5 every two months, 6 quarterly and 3 irregularly.

Information was also obtained in a few cases regarding liabilities and the frequency with which inventories were taken, but it has not been thought that the answers are of sufficient value to record.

127 gave credit occasionally, 281 said they never gave it, and 11 said they gave it habitually. 88 stated that they received credit, and 221 that they did not receive it.

In reply to the questions as to the character of customers, 163 stated that their customers were largely or entirely colored, and 24 that they were largely or entirely white; 212 served a large number of both white and colored. The remaining 51 did not answer this question.

The group of business men receiving the largest amount of white patronage was the caterers. Out of 23 in this kind of

business, 10 reported that their business was almost entirely with white customers.

This investigation was made before the great migration from the South, caused largely by present war conditions. Undoubtedly this will greatly increase the number of colored businesses conducted by colored people in Philadelphia, but it has probably not done so yet to any extent. The investigator found that frequently in some sections of the city businesses were started and conducted for a very short time and then failed. This was due in many cases to the fact that the enterprises were conducted by newcomers who had not the experience with local conditions, to enable them to succeed, but who would in many cases be able to do so later. Similar experiences will probably occur more frequently among the large number of migrants of 1917.

A summary review of this study shows a very large number of businesses of small size. The small size of the businesses and the lack of efficiency frequently found may be due to one or to several of the following causes: Inexperience, lack of training, lack of ability, difficulty in securing capital. The Negro who wishes to enter business is usually inexperienced and untrained and has practically no opportunity of apprenticeship in the stores or offices of white business men. There are very few Negro business men to apprentice him. It is true also that no business courses are available for them in the schools; but even if such courses were offered they would, although of much assistance, be of small value in comparison with the apprenticeships available to white boys and girls and young men and women. It is not to be wondered at, therefore, that the number of Negroes in business is small and that they show lack of training; neither is it to be wondered at that in spite of the superior character of the schools of our

city such a small proportion of the businesses conducted here by colored people are conducted by Philadelphians. Business opportunities for Negroes in the South are in many lines as good or better than in Philadelphia and in the building trades they are much better.

### **We Strongly Recommend**

(1) That employers take some care to inquire from the Armstrong Association of Philadelphia and from the public high schools for the names of promising young men and women who are ambitious, but who, on account of the lack of opportunity, are more easily obtainable for a moderate compensation than they would be if they were white.

(2) That on account of the great lack of apprenticeship the Public Schools introduce into their curriculum courses which shall as soon as possible take the place of the apprenticeships which the young colored men or women are unable to obtain.

## SAMPLE BUSINESSES.

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The following cases have been chosen as representing different kinds of businesses, especially the more successful ones.

Case No. 1. This is a cigar and tobacco store. The proprietor came to Philadelphia from Western Pennsylvania about fifteen years ago and secured employment with the Midvale Steel Works. About four years ago he sustained the loss of an arm. As compensation for his injury the company allowed him a sum of money, and wishing to support himself he opened a cigar store in the northwestern section of the city. The proprietor had no experience in business but by close personal application has built up rather a successful trade. His stock and fixtures represent an outlay of about \$2500. With part of his indemnity and savings he bought the house in which he is doing business which greatly reduces his overhead expenses. His gross receipts for 1917 were \$1800. He does a strictly cash business and serves both white and colored customers. This man depends on a cash register to keep his accounts straight. He usually pays cash for his supplies thus saving his discounts.

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Case No. 2. This is a contractor and builder. The man came to Philadelphia from Virginia 18 years ago, where he had served an apprenticeship as a carpenter. Finding it hard to get work at his trade he secured a job as porter in a large mercantile concern. A few years later he found an opening in a white shop to work at this trade and after working there a few years decided to go in business for himself. For the past ten years he has carried on a large contracting business, employing last year as many as fifty workmen at one time, and had a business turnover of more than \$50,000. He main-

tains exceptionally fine credit, both with the supply firms and with the banks. His customers are both white and colored, and many of them speak of him in the highest terms. He maintains two auto-trucks and is doing a prosperous business. He keeps a full set of books, balancing his accounts monthly. Employs a bookkeeper and foreman. Tools, fixtures and auto-trucks represent an outlay of \$2000. Shop rent \$20 per month.

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Case No. 3. This is a tailor shop. The proprietor came from Georgia ten years ago and has been in business ever since. He graduated from Hampton in 1898, having served his apprenticeship at that institution. This man came to Philadelphia, hoping to improve his business. His plant, tools and stock are worth about \$1000. He employs three helpers and had a business turnover last year of \$3800. This represents a larger net return than usual owing to the nature of the business. Most of his work consists in altering, pressing and repairing. Very little money is required for purchase of goods so that the proprietor makes a fairly good income from his business. His customers are both white and colored. He gives credit occasionally but seldom fails to collect his bills. The floor space measures 15x24 feet, with a partition, making two rooms. He pays \$20 per month rent.

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Case No. 4. This business is what is known as a "Beauty Parlor." The proprietor came to Philadelphia about twelve years ago from Maryland and engaged in the work of seamstress, going out to work by the day. After saving up a little money she took a course in hair culture, massage and electric treatment and opened a small shop in the north-central part of the city. Her stock and fixtures are estimated at \$700, while she claims to do a business of \$2500 a year. She rents



the entire house at a cost of \$25.00 per month. The upper rooms are rented out, with the exception of two, which she uses for herself. The rental of the rooms covers the entire rental of the house, giving her the store and her own rooms free. She seems to be more shrewd than intelligent, with but little education. Her customers are both white and colored, and she does strictly cash business. She has no regular system of bookkeeping, claiming that she has no accounts, so there is no need to bother with books. Her workroom is 15x20 feet and is very neatly kept.

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Case No. 5 is a grocery store. The proprietor came to Philadelphia from Virginia ten years ago, having worked the greater part of his life on a farm. The farm was owned by his father, and upon his death was sold and the proceeds divided between three children. With his part the proprietor opened a small poultry and produce store, specializing in Virginia produce. With part of the money coming to him from the sale of the farm he purchased the house, using the upper floor for family use and the lower, which was a store, for his business. Floor space measures 16x28 feet. Within the past year he has greatly enlarged his business by building an addition—for the poultry business exclusively. In addition to the produce he has gradually put in a stock of staple groceries. The property represents an outlay of \$4000, stock on hand \$600, fixtures \$300. He does a strictly cash business and has no open accounts. His place of business is located in a mixed neighborhood, and both white and colored customers patronize him. Ledger, cash book and day book are kept, which are balanced weekly. After starting his business he took a course in accounting in order that he could run his business more successfully. Inventory taken quarterly.

With but one exception the cases cited above represent Negroes who came from the South. The one exception was from the western part of the State. This is not meant to show that Philadelphia Negroes are not engaged in business, but that the more productive kinds are in the hands of the Southern Negroes. Among Philadelphia Negroes who are engaged in business the lines run more to that form commonly known as personal service, such as barber shops and catering establishments.

One of the few notable exceptions to the above statement is the conduct of a banking establishment being successfully run by two Philadelphia Negroes. This bank showed a gross business of \$178,304.01 as of August 21, 1917. The real estate owned by them amounts to \$102,600.00, with a surplus and undivided profits of \$20,162.48. This represents a remarkable growth when compared with the statement as of January 21, 1916, at which time the total resources were \$10,728.62. This bank employs five young colored women and two young men as tellers, clerks, bookkeepers, etc. In addition the proprietors render service, one of the partners being cashier. In addition to the banking business they also do a large real estate brokerage business. The bank is centrally located and is splendidly equipped. Before engaging in the banking business here one of the partners conducted banks successfully in two cities in Virginia. The other partner was engaged for some time in the insurance and real estate brokerage business. This bank has a large number of white depositors. The upper floors of the bank building are used as apartments and are occupied by a select class of white tenants.







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